

TOWN OF HERNDON

Enriching the Quality of Life and Promoting a Sense of Community



NEWS RELEASE

FOR IMMEDIATE RELEASE

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TOWN COUNCIL ADOPTS FY 2010 BUDGET

Real Estate Tax Rate Increase to \$.26 per \$100 of Assessed Value to Result in Lower Tax Bill for Most Citizens

Herndon, VA (May 27, 2009) – At its public hearing on Tuesday, May 26, the Herndon Town Council adopted the budget for the town's 2010 fiscal year, which begins July 1, 2009 and ends June 30, 2010.

Highlights of the \$41,128,785 budget, a 6.3 percent decrease from the current (adopted) FY 2009 budget, include an increase in the real estate tax rate from \$.24 to \$.26 per \$100 of assessed value. However, due to a 27 percent reduction in assessed residential real estate values, approximately 91 percent of homeowners will pay less in real estate taxes to the town in FY 2010, with an average decrease of \$200 per household.

The adopted FY 2010 budget maintains current rates for the meals and transient occupancy taxes, at 1.5 percent and six percent, respectively. The budget also maintains the current rate for the town's cigarette tax, at \$.50 per pack.

The adopted FY 2010 General Fund Capital Improvement Program (CIP) focuses on infrastructure improvements related to neighborhoods and transportation. The CIP includes expenditures of \$1.9 million for the General Fund (\$1.1 million of which is provided through grants and developer proffers) and \$635,000 for Enterprise Fund operations.

To balance the FY 2010 budget as required by Virginia law and in the face of significantly reduced real estate tax revenues, the town will implement spending reductions to include 11 positions identified as vacant in FY 2009 that will not be filled in FY 2010; no market rate adjustment or pay-for-performance increases for employees; revision of on-call and overtime scheduling to reduce costs; increased health insurance premiums for employees; and reduction or elimination of some employee benefits. Operations and Maintenance expenditure changes include reduction of general operating expenditures; reduction of operating hours at the Herndon Community Center and Neighborhood Resource Center; reduction of some promotional and special event expenditures; and scaling back on some services such as refuse

pickup on holidays. Replacement of vehicles and equipment is also being deferred, and grant funding allocation has been reduced by 12 percent from FY 2009.

The Town of Herndon's adopted FY 2010 budget will be posted on the town's Web site, www.herndon-va.gov, by July 1. Hard copies will also be available for review at the Herndon Municipal Center, 777 Lynn St., Herndon.

The Town of Herndon was incorporated by the General Assembly of the Commonwealth of Virginia on January 14, 1879. Located in western Fairfax County, Herndon is the 3rd largest town in the Commonwealth and is home to more than 23,000 citizens. Businesses located within the Town of Herndon, which range from high tech enterprises to entrepreneurially-owned establishments, employ approximately 25,000 people. *Business Week* Magazine has named Herndon one of the nation's "Best Affordable Suburbs."

For more information, visit the town's Web site at www.herndon-va.gov.

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